

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 928 - SB 1344

February 28, 2015

SUMMARY OF BILL: Classifies machinery used by water and wastewater treatment authorities, which are created by private act or pursuant to the Water and Wastewater Treatment Authority Act (WWTAA), as industrial machinery for the purpose of such machinery being considered exempt from sales and use tax.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Machinery classified as industrial machinery is exempt from sales and use tax pursuant to Tenn. Code Ann. § 67-6-206(a).
- Classifying machinery used by water and wastewater treatment authorities as industrial machinery under the sales tax statute, pursuant to the provisions of this bill, effectively exempts any such machinery from sales and use tax.
- Under current law, and pursuant to Tenn. Code Ann. § 68-221-602(b), all wastewater treatment authorities regulated by the WWTAA are exempt from all state, municipal, and county taxes.
- The Department of Revenue reports that for the purpose of taxation, water and wastewater facilities are considered government entities, and are exempt from taxation under current law; therefore, any revenue impact to state and local government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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